

1.4 Assumption of Other Liabilities. At Closing, Buyer shall assume the Assumed Liabilities (as hereinafter defined) pursuant to a written assumption agreement ("Assumption Agreement") in substantially the form of Exhibit 1.4 attached hereto. As used in this Agreement, the term "Assumed Liabilities" shall mean (i) the liabilities, duties and obligations of Seller under those leases, contracts, licenses and other agreements and instruments expressly listed on Exhibit 1.1C attached hereto and (ii) such other obligations and liabilities of Seller, if any, as Buyer shall expressly agree to assume in the Assumption Agreement. The parties hereto acknowledge and agree that the Assumed Liabilities are the only liabilities and obligations of Seller being assumed by Buyer and that, except to the extent expressly provided in the Assumption Agreement, the Assumed Liabilities shall not include any liability or obligation of Seller of any nature whatsoever existing or incurred by Seller on or prior to the date of the Closing.

1.5 Adjustment to the Purchase Price. Seller represents and warrants that there have not been any prepayments received by Buyer prior to or on the date hereof with respect to radio time or advertising services to be rendered by the Seller. Seller agrees to and shall prior to Closing, provide to Buyer a list and description of all radio time and advertising contracts of the Seller as of a date five days prior to the Closing. To the extent any of these advertising contracts is determined to involve a prepayment and it is not fully performed by Seller prior to the Closing, Buyer shall assume such obligation and the Purchase Price payable at the Closing will be reduced accordingly.

ARTICLE II

THE CLOSING

The Closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Andrews & Kurth, 4200 Texas Commerce Tower, Houston, Texas 77002 at such time as may be agreed upon by the parties on a date not later than ten (10) days following satisfaction of all conditions precedent to Closing set forth in Article V hereof, but in any event not later than November 30, 1988, unless extended by mutual agreement of Buyer and Seller. The actual date of Closing is herein called the "Closing Date."

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer that:

3.1 **Organization and Authority.** Seller is a limited partnership duly organized and validly existing under the laws of the State of Texas and has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. Attached hereto as Exhibit 3.1A is a true and correct copy of the Articles of Partnership of Seller. OCC is a corporation duly organized and validly existing under the laws of the State of Texas and has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. The execution and delivery of this Agreement by Seller has been duly authorized by all necessary partnership and corporate action (including approval by the limited partners of Seller and the Board of Directors of Seller), and this Agreement constitutes a valid and binding agreement enforceable against Seller in accordance with the terms hereof. Except for obtaining required consents and approvals indicated on Exhibit 3.1B hereto, Seller has full right, power and authority to sell the Assets to Buyer pursuant to the terms hereof.

3.2 **No Defaults.** Except as disclosed in Exhibit 3.2 attached hereto, the execution, delivery and performance of this Agreement will not result in a breach or violation by Seller of, nor constitute a default by Seller under, the Articles of Partnership of Seller or any contract, permit, license, certificate, franchise, statute, ordinance, rule, regulation, agreement, instrument or order to which Seller is a party or by which Seller or the Assets are bound.

3.3 **Properties and Liabilities.**

(a) All of the real and personal property owned by Seller and currently used or useful in the operation of the Station are described in Exhibits 1.1A and 1.1D and all of such property is and will be at Closing owned by Seller free and clear of any and all liens, claims or encumbrances of any nature whatsoever, except (i) as specifically and expressly otherwise disclosed on Exhibit 3.3A hereto; (ii) for inchoate common law, statutory and constitutional

liens, liens for current taxes and assessments not delinquent and (iii) the equipment lease between Harris Corporation and Seller dated May 1986 respecting an SX-1 Transmitter 994-8581 ("Permitted Encumbrances"). All such encumbrances other than Permitted Encumbrances shall be fully discharged and released on or prior to Closing by Seller.

(b) At the Closing, Seller will sell, transfer and convey to Buyer good and indefeasible title to the Assets, subject only to Permitted Encumbrances, by means of a Bill of Sale and Assignment in the form of the Bill of Sale and Assignment attached hereto as Exhibit 3.3B (the "Bill of Sale").

(c) The Assets are in good operating condition and repair, and no notice of any violation of zoning, building or other regulating laws, statutes, and regulations relating to such property and assets which would adversely affect the Assets or operation thereof has been received and not resolved on or prior to the date hereof.

(d) The transmitting, broadcasting and receiving facilities, tower, guylines, support cables and all other assets and equipment used in connection with the Station are located and, where applicable, installed on real property leased by Seller and no such assets or equipment encroach, in any way, on the real property of any third party;

(e) There are no direct or contingent liabilities which would materially adversely affect the Assets or the business and operation of such Assets by Buyer, other than as described on Exhibit 3.3C attached hereto.

3.4 Contracts.

(a) Exhibits 1.1C and 1.1D are an accurate list of each lease or contract (other than radio time and advertising agreements) relating to or affecting the Station or its operations to which Seller is a party or by which Seller or the Assets are bound. True and complete copies of all items listed on Exhibit 1.1C and 1.1D have been furnished to Buyer. Assuming the due authorization, execution and delivery by the other parties thereto, each of such leases and contracts is valid, subsisting and enforceable and is legally assignable to Buyer free of all liens or claims of third parties. To Seller's knowledge, all parties to such leases, contracts and

commitments are in compliance with the provisions thereof, no party is in default under any of the terms thereof and no event has occurred which, but for the passage of time or the giving of notice, would constitute a breach or default thereunder.

(b) All agreements for the sale by Seller of time to advertisers or advertising agencies ("Advertising Agreements") entered into prior to the Closing Date are at rates at least equal to the prevailing market rates for such agreements. Furthermore, none of the Advertising Agreements have a term longer than thirteen weeks.

3.5 Permits and Licenses.

(a) Seller holds all authorizations from the FCC necessary for the operation of the Station, including, the licenses and authorizations described in Exhibit 1.1B. Seller has complied with, and has operated and is operating the Station in all material respects in accordance with the terms and conditions of all of said authorizations, orders, notices, requirements and other directives and in accordance with the laws, rules and regulations of the FCC applicable to such operation, the failure to comply with which would jeopardize the transactions contemplated by this Agreement or otherwise adversely affect the Assets or the business or operation thereof by Buyer. No proceedings are pending or, to the knowledge of Seller, threatened which may result in the revocation, modification, or suspension of any of said authorizations, the denial of any pending applications, the issuance of a cease and desist order or the imposition of any administrative sanction against Seller. There are no unsatisfied citations issued by the FCC outstanding with respect to the Station or its operations.

(b) All Assets being sold and transferred hereunder substantially meet the FCC's standards of performance for radio broadcasting stations. Neither Seller, OCC nor any of their respective officers or directors has received any notice of, or has any knowledge of, any violation of any law or regulation of any governmental authority pertaining to Seller's buildings, structures, equipment or operations relating to the Station or the Assets which has not been corrected.

(c) Neither Seller, OCC nor any of their respective officers or directors know of any fact which will disqualify Seller from securing the FCC's consent provided for in this Agreement or from completing the transactions contemplated herein.

(d) All renewal applications required to be filed by Seller with the FCC pertaining to the FCC licenses have been timely filed.

3.6 Litigation. Except as disclosed on Exhibit 3.6, there is no litigation, proceeding or investigation pending or, to the knowledge of the Seller, threatened in which the Seller is or will be a party defendant which might jeopardize consummation of the transactions contemplated by this Agreement or otherwise adversely affect the Assets or the business or operation thereof by Buyer.

3.7 Employee Matters.

(a) Attached as Exhibit 3.7 hereto is a complete list of all employees of Seller, together with a written description of the rates of pay and employment benefits (including bonus and vacation policy) applicable to employees of Seller.

(b) Seller does not have and has not in the past had any employee benefit plans for its employees. Accordingly, Seller has not incurred any accumulated funding deficiency within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"), and Seller has not incurred any material liability to the Pension Benefit Guaranty Corporation established under ERISA (or any successor thereto) in connection with any employee pension benefit plan established or maintained by it, and there have been no "reportable events" or "prohibited transactions" with respect to any such plan as those terms are defined in Section 4043 of ERISA and Section 4975 of the Internal Revenue Code of 1986, as amended, respectively.

(c) Seller has no contract, agreement or understanding, written or oral, with any labor union or other labor organization or employee bargaining group with respect to any of Seller's employees, nor has Seller been contacted by any such union, organization or group with respect to representation or organization of Seller's employees. No labor disturbances by employees of Seller have arisen or been threatened which may adversely affect the business or business prospects of Seller or the Assets.

3.8 Insurance. Attached hereto as Exhibit 3.8 is a complete list of all insurance policies maintained by Seller with respect to the Assets or the business of Seller.

3.9 Taxes. The Seller has filed or will file prior to the Closing all income tax returns, sales and use tax returns, all corporate franchise tax returns, any gross receipts or utility tax returns and all real and personal property tax returns which it is required to file with respect to the Assets on or prior to Closing, and has paid or will pay all taxes as shown on such returns and all assessments received to the extent that such taxes and assessments have become due and payable and are not being contested.

3.10 No Brokerage or Finder's Fee. Seller has not employed any broker or finder or incurred any liability for any brokerage fees, commissions or finder's fees in connection with the transactions contemplated herein.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to the Seller that:

4.1 Corporate Organization, Good Standing and Approval. Buyer is a corporation duly organized and existing under the laws of the State of Texas and has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby.

4.2 Authorization. The execution and delivery of this Agreement by Buyer and the performance of the transactions contemplated hereby have been duly and validly authorized by the Board of Directors of Buyer and all other necessary corporate action, and this Agreement constitutes a valid and binding agreement enforceable against Buyer in accordance with its terms.

4.3 Compliance. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not result in the breach of any of the terms and conditions of, constitute a default under or violate the Articles of Incorporation or Bylaws of Buyer, or any agreement, lease, mortgage, note, bond, indenture, license or other material document to which Buyer

is a party or by which it is bound, or violate any law, rule, regulation, order, writ, injunction or decree of any court, administrative agency or governmental body.

4.4 No Brokerage or Finder's Fee. Buyer has not employed any broker or finder or incurred any liability for any brokerage fees, commissions or finder's fees in connection with the transactions contemplated herein.

ARTICLE V

CONDITIONS PRECEDENT

5.1 Conditions Precedent to Buyer's Obligation Hereunder. The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to satisfaction (unless waived in writing by Buyer) of the following conditions precedent:

(a) The Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or at the Closing.

(b) All of the representations, warranties and covenants of the Seller in this Agreement shall be true and correct as of the date hereof and without material adverse change as of the Closing Date, except for changes permitted by this Agreement.

(c) All requisite consents by third parties, including the FCC and other governmental agencies and instrumentalities, to the Seller's assignment to Buyer of the permits, licenses, leases, and other executory contracts of the Seller requiring such consents, all as indicated on Exhibit 3.1B, shall have been obtained.

(d) Seller shall cause to be made available to Buyer for execution, a revised lease (the "Lease") covering the tower site with a twenty-five year term, a monthly rental rate of \$625 and otherwise in form satisfactory to Buyer.

(e) Seller shall have received a release of any and all obligations under that certain loan agreement between Seller and Cathryn Long Clark, independent executrix of the estate of John G. Long, deceased and James M. Allen, independent administrator of the estate of Mary Adams Long, deceased.

5.2 Conditions Precedent to Seller's Obligations Hereunder. The obligations of Seller to consummate the transactions contemplated by this Agreement hereunder are subject to satisfaction (unless waived in writing by Seller) of the following conditions:

(a) The Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing.

(b) All of the representations, warranties and covenants of the Buyer in this Agreement shall be true and correct as of the date hereof and without material adverse change as of the Closing Date, except for changes permitted by this Agreement.

(c) All requisite consents by third parties, including the FCC and other governmental agencies and instrumentalities, to the Seller's assignment to Buyer of the permits, licenses, leases, and other executory contracts of the Seller requiring such consents, all as indicated on Exhibit 3.1B, shall have been obtained.

ARTICLE VI

FCC APPROVAL

6.1 FCC Approval and Procedure. It is understood that the Closing of this transaction is subject to prior written consent of the FCC including the grant by the FCC of any waivers required under the FCC's Rules and Regulations. The parties shall join in and file with the FCC, within ten (10) days from the date hereof, a joint application requesting the FCC's written consent to the assignment to Buyer as contemplated herein of the FCC permits and licenses and other authorizations for the Station. Each of the parties hereto shall diligently take or cooperate in the taking of all reasonable steps which are necessary or appropriate to expedite the prosecution and favorable consideration of such application.

6.2 Failure to Receive FCC Approval. If, within one hundred eighty (180) days from the date of public notice by the FCC that the joint application referred to in Section 6.1 hereof has been accepted for filing by the FCC, (i) the FCC shall have failed or refused to grant the written consent

referred to in Section 6.1 hereof, or (ii) although granted, such consent shall not have become a Final Order of the FCC, as hereinafter defined, then either of the parties hereto may terminate this Agreement upon at least ten (10) days, written notice to the other; provided, however, that the Closing has not already taken place and such notice of termination is given prior to the date on which such consent shall have become a Final Order as aforesaid; and provided, further, however, that the party giving such notice shall not be in default under any provisions of this Agreement, which default is the basis for the failure or refusal of the FCC to grant such consent or otherwise prevents such grant from becoming a Final Order. Upon any such termination as provided in this Section 6.2, thereafter no party to this Agreement shall have any liability to any other party with respect to the subject matter hereof and this Agreement shall be deemed to have no further force and effect.

6.3 Final Order. For the purpose of this Agreement, a "Final Order" shall mean action by the FCC consents to the assignment as above described, without any condition which would have a materially adverse financial effect upon Buyer's ability to operate the Station as presently authorized, which action is no longer subject to review or reconsideration by the FCC or to judicial review.

ARTICLE VII

CLOSING MATTERS

7.1 Procedures. Upon the satisfaction, or waiver in writing of satisfaction by the party entitled to the benefits thereof, of the conditions precedent set forth in Sections 5.1 and 5.2 hereof, at the Closing the following events shall occur (the occurrence of each being an additional condition to Closing):

- (a) Seller shall deliver to Buyer a certificate of one of Seller's executive officers confirming the matters referenced in Section 5.1(b) hereof.
- (b) Buyer shall deliver to Seller a certificate of one of Buyer's executive officers confirming the matters referenced in Section 5.2(b) hereof.
- (c) Seller and Buyer shall execute the Bill of Sale and the Assumption Agreement.

(d) Buyer and Seller shall deliver duly authorized corporate resolutions and/or partner authorization authorizing this transaction in accordance with Sections 3.1 and 4.2 herein.

(e) Seller shall enter into the revised lease as described in Section 5.1(d) hereof.

(f) Buyer shall pay to Seller an amount equal to the sum stated in Section 1.3 hereof and in the manner set forth therein.

ARTICLE VIII

COVENANTS

8.1 **Seller's Covenants and Agreements.** Seller from and after the execution and delivery of this Agreement, up to and including the earlier of the occurrence of termination of this Agreement or the Closing Date:

(a) Shall operate the Station and conduct the business thereof in the ordinary and usual course, subject to the restrictions contained in this Agreement, and substantially in accordance with past practices and the terms of the FCC permits and licenses and all applicable laws, rules and regulations, including those of the FCC as well as the standards of Good Engineering Practice of the FCC, and will take all reasonable steps which in the good faith judgment of Seller are necessary and proper to protect the service area of the Station from unlawful electrical interference from other stations;

(b) Shall not take any action which would in any material manner interfere with the carrying out of the transactions contemplated by this Agreement;

(c) Without Buyer's prior written consent, shall not make any arrangement for any new, additional or increased benefits plan or any similar plan relating to employees or agents who render services in connection with the Station or make any changes in management or personnel policies, including vacation policies;

(d) Without Buyer's prior written consent, shall not enter into any contract or commitment relating to the business of the Station or the assets to be purchased, except

contracts or commitments entered into in the ordinary course of the business of the Station which do not exceed Five Hundred Dollars (\$500.00) as to any single contract or commitment or Seven Hundred Fifty Dollars (\$750.00) in the aggregate as to all such contracts and commitments outstanding as of the Closing Date. There is excluded from this provision agreements for the sale of time to advertisers or advertising agencies;

(e) Shall not enter into any agreements for the sale of time to advertisers or advertising agencies except upon rates at least equal to the prevailing market rates for similar agreements and shall not accept any prepayments for advertising services to be rendered except upon the prior written consent of Buyer;

(f) Without Buyer's prior written consent, shall not sell, or transfer, convey, lease, mortgage, hypothecate or otherwise dispose of or encumber any assets of Seller; and

(g) Shall use its best efforts in the ordinary course of business and to the extent consistent with its existing policies and practices, to maintain and preserve intact the Station's organization and business and to preserve for Buyer the relationship and goodwill of the Station's suppliers, advertisers, advertising agencies, employees, listeners, and others having business relationships with the Station.

8.2 Covenant of Further Assurances. After the Closing, and without further consideration, Seller shall execute, acknowledge and deliver such further instruments of conveyance and transfer and take such other actions as Buyer may reasonably request in order to complete the transactions contemplated by this Agreement.

8.3 Access to Records Following Closing. Buyer agrees that for a period of one (1) year following the Closing Date it will, and will cause its counsel and independent public accountants to afford to representatives of Seller, including Seller's counsel and accountants, reasonable access to all books, records, files, documents and all other information and data relating to the assets, properties, business and operations of the Seller prior to the Closing Date as Seller may from time to time reasonably request.

8.4 Assumption of Seller's Obligations Under Certain Agreements. On and after the Closing, Buyer will assume and perform the obligations of the Seller specified in Section 1.6 hereof and under those contracts and agreements and other commitments of the Seller itemized and described in Exhibit 1.1C attached hereto.

ARTICLE IX

SURVIVAL OF WARRANTIES AND LIABILITY OF SELLER

Except as otherwise herein specifically provided, all representations and warranties, contained herein shall continue and survive the Closing regardless of any investigation made by Buyer and Seller at any time.

ARTICLE X

INDEMNIFICATION

10.1 Indemnification.

(a) By Seller. Seller shall indemnify, defend and save Buyer, its affiliates, successors and assigns, harmless against and from all liabilities, claims, losses, damages, costs and expenses (including reasonable attorney's fees) resulting from (i) the conduct of business and operation by Seller of the Station prior to the Closing Date (ii) any misrepresentation or breach of warranty by Seller contained in this Agreement, (iii) any claims or actions brought by any limited partner of Seller against Buyer as a result of or in connection with this transaction, and (iv) all actions, suits, proceedings, demands, damages, assessments, judgments, costs, reasonable attorney's fees (including reasonable attorney's fees on any appeal) and expenses incident to any of the foregoing or incident to any enforcement by Buyer of any covenant or agreement on the part of Seller set forth in this Agreement.

(b) By Buyer. Buyer will defend and save Seller, its affiliates, successors and assigns harmless against and from all liabilities, claims, losses, damages, costs, and expenses (including reasonable attorney's fees) resulting from any misrepresentation or breach of warranty by

Buyer contained in this Agreement, and all actions, suits, proceedings, demands, damages, assessments, judgment, costs, reasonable attorney's fees (including reasonable attorney's fees on any appeal) and expenses incident to any of the foregoing or incident to any enforcement by Seller of any covenant or agreement on the part of Buyer set forth in this Agreement.

10.2 Claims Pursuant to Indemnities. If any claim ("Asserted Claim") covered by the foregoing indemnities is asserted against any indemnified party ("Indemnatee"), the Indemnatee shall promptly give the other party ("Indemnitor") notice thereof and give Indemnitor an opportunity to control negotiations toward resolution of such claim without the necessity of litigation, and, if litigation ensues, to defend the same with counsel, reasonably acceptable to Indemnatee, at Indemnitor's expense, and Indemnatee shall cooperate fully in connection with such defense. Indemnatee shall be entitled to participate in, but not to control, the defense of an Asserted Claim resulting in litigation, at its own cost and expense, if such claim exceeds \$10,000.00. If the Indemnitor fails to assume control of the negotiations prior to litigation or to defend such action within a reasonable time, Indemnatee shall be entitled, but not obligated, to assume control of such negotiations or defense of such action, and Indemnitor shall be liable to the Indemnatee for its expenses reasonably incurred in connection therewith, including reasonable attorney's fees.

ARTICLE X

MISCELLANEOUS PROVISIONS

11.1 Notices. All notices and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or on the date postmarked when mailed by certified or registered mail, first class, postage prepaid, addressed:

If to Seller to:

Bay Broadcasting, Ltd.
c/o Oak Creek Communications, Ltd.
2304 Avenue F
Bay City, Texas 77414
Attn: President

With a copy to:

North Star Communications, Inc.
Suite 1100
3900 Essex Lane
Houston, Texas 77027

Attn: President

With a copy to:

Andrews & Kurth
4200 Texas Commerce Tower
Houston, Texas 77002

Attn: Christopher S. Collins

or to such other address as may hereafter be specified by written notice given by either party to the other.

11.2 Applicable Law. This Agreement has been executed and delivered in the State of Texas and it shall be governed by, and construed and enforced in accordance with, the laws of said State.

11.3 Assignment. Buyer shall have the right, upon written notice to Seller, to assign its interest under this Agreement to a third party purchaser designated by the Buyer. No other assignments of any interest in this Agreement is permitted.

11.4 Parties in Interest. Subject to the provisions of Section 10.4, this Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and permitted assigns.

11.5 Costs and Expenses. Each party shall bear its own expenses and costs in connection with the negotiation, performance or compliance with the terms of this Agreement; provided, however, that if any party is required to institute litigation to enforce the provisions of this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees from the non-prevailing party.

11.6 Captions. Captions are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

11.7 Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be deemed to be an original but only one of which need be produced.

11.8 Modification and Waiver. No modification or waiver of any of the provisions of this Agreement shall be valid or effective unless in writing and executed by the party against whom any such modification or waiver is sought to be enforced. The waiver by any party of any breach or default committed or suffered by the other party hereto shall not be deemed a waiver or any subsequent breach.

11.9 Entire Agreement. This Agreement, including the Exhibits delivered pursuant hereto, constitutes the entire Agreement of the parties hereto and supersedes all previous agreements and understandings, whether oral or written. This Agreement may be changed, terminated or discharged only by an instrument in writing signed by the party against whom enforcement of a change, termination or discharge is sought.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

BAY BROADCASTING, LTD.
by Oak Creek Communications, Inc.,
its general partner

By:

Name:

Title:

NORTH STAR COMMUNICATIONS, INC.

By:

Name:

Title:

Exhibit No. 2

Brenda Clark Harrison, President and controlling shareholder of Assignor, is also President and controlling shareholder of Oak Creek Communications, which has filed an application for FM channel 241C2 at Bay City, Texas.

Clive Runnells and his wife are owners of a corporation owning a cable system in El Campo, Texas.

J. H. Landrum and Michael Wickizer are officers of that corporation.

Exhibit No. 4

Assignee has filed an application with the Commission for FM
channel 241C2 at Bay City, Texas.

NARRATIVE OF PROPOSED PROGRAM SERVICE

North Star Communications, Inc. intends to be actively involved in the community and will ascertain problems and needs on a continuing basis through personal involvement in radio station affairs, charitable organizations, civic organizations, and the like. Face-to-face discussion of community needs will be conducted with leaders of representative organizations in the community.

The applicant will treat the needs and interests of the community through news, public affairs and other programs. The applicant will air public affairs programming both on a regular and as-needed basis to assure that the significant needs and problems of the community are treated. The applicant will take steps to assure that controversial issues of public importance are treated in its public affairs programming.

United States of America
Federal Communication Commission
Washington, D.C. 20554

Approved by OMB
3060-0120
Expires 11-30-85

MODEL EEO PROGRAM

1. North Star Communications, Inc. 3900 Essex Lane, Suite 1150
Name of Applicant Street Address

Houston. Texas 77027 (713) 961-0969
City State Zip Code Telephone No.
(Include Area Code)

2. This form is being submitted in conjunction with:

☐ Application for Construction Permit
for New Station

☒ Application for Assignment of License

☐ Application for Transfer of Control

(a) Call letters (or channel number or frequency)

(b) Community of License

KIOX

Bay City
City

Texas
State

(c) Service: AM ☒ FM ☐ TV ☐ Other (Specify) ☐ _____

INSTRUCTIONS

Applicants seeking authority to construct a new commercial, noncommercial or international broadcast station, applicants seeking authority to obtain assignment of the construction permit or license of such a station, and applicants seeking authority to acquire control of an entity holding such construction permit or license are required to afford equal employment opportunity to all qualified persons and to refrain from discriminating in employment and related benefits on the basis of race, color, religion, national origin or sex. See Section 73.2080 of the Commission's Rules. Pursuant to these requirements, an applicant who proposes to employ five or more fulltime station employees must establish a program designed to assure equal employment opportunity for women and minority groups (that is, Blacks not of Hispanic origin, Asians or Pacific Islanders, American Indians or Alaskan Natives and Hispanics.) This is submitted to the Commission as the Model EEO Program. If minority group representation in the available labor force is less than five percent (*in the aggregate*), a program for minority group members is not required. In such cases, a statement so indicating must be set forth in the EEO model program. However, a program must be filed for women since they comprise a significant percentage of virtually all area labor forces. If an applicant proposes to employ less than five fulltime employees, no EEO program for women or minorities need be filed.

Guidelines for a Model EEO Program and a Model EEO Program are attached.

NOTE: Check appropriate box, sign the certification below and return to FCC:

☐ Station will employ less than 5 fulltime employees; therefore no written program is being submitted.

☒ Station will employ 5 or more fulltime employees. Our 5 point program is attached.

CERTIFICATION

I certify that the statements made herein are true, complete, and correct to the best of my knowledge and belief, and are made in good faith.

Signed and dated this 8th day of June, 1988


Signature

Executive Vice President

Title

**WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND IMPRISONMENT
U.S. CODE, TITLE 18, SECTION 1001.**

FCC NOTICE TO INDIVIDUALS REQUIRED BY THE PRIVACY ACT AND THE PAPERWORK REDUCTION ACT

The solicitation of personal information requested in this application is authorized by the Communications Act of 1934, as amended. The principal purpose for which the information will be used is to determine if the benefit requested is consistent with the public interest. The staff, consisting variously of attorneys, accountants, engineers and application examiners, will use the information to determine whether the application should be granted, denied, dismissed, or designated for hearing. If all the information requested is not provided, the application may be returned without action having been taken upon it or its processing may be delayed while a request is made to provide the missing information. Accordingly, every effort should be made to provide all necessary information. Your response is required to obtain this authorization.

**THE FOREGOING NOTICE IS REQUIRED BY THE PRIVACY ACT OF 1974, P.L. 93-579, DECEMBER 31, 1974, 5 U.S.C. 552a(e)(3) AND THE
PAPERWORK REDUCTION ACT OF 1980, P.L. 96-511, DECEMBER 11, 1980, 44 U.S.C. 3507.**

GUIDELINES TO THE MODEL EEO PROGRAM

The model EEO program adopted by the Commission for construction permit applicants, assignees and transferees contains five sections designed to assist the applicant in establishing an effective EEO program for its station. The specific elements which should be addressed are as follows:

I. General Policy

The first section of the program should contain a statement by the applicant that it will afford equal employment opportunity in all personnel actions without regard to race, color, religion, national origin or sex, and that it has adopted an EEO program which is designed to fully utilize the skills of minorities and women in the relevant available labor force.

II. Responsibility for Implementation

This section calls for the name (if known) and title of the official who will be designated by the applicant to have responsibility for implementing the station's program.

III. Policy Dissemination

The purpose of this section is to disclose the manner in which the station's EEO policy will be communicated to employees and prospective employees. The applicant's program should indicate whether it: (a) intends to utilize an employment application form which contains a notice informing job applicants that discrimination is prohibited and that persons who believe that they have been discriminated against may notify appropriate governmental agencies; (b) will post a notice which informs job applicants and employees that the applicant is an equal opportunity employer and that they may notify appropriate governmental authorities if they believe that they have been discriminated against; and (c) will seek the cooperation of labor unions, if represented at the station, in the implementation of its EEO program and in the inclusion of nondiscrimination provisions in union contracts. The applicant should also set forth any other methods it proposes to utilize in conveying its EEO policy (e.g., orientation materials, on-air announcements, station newsletter) to employees and prospective employees.

IV. Recruitment

The applicant should specify the recruitment sources and other techniques it proposes to use to attract minority and female job applicants. Not all of the categories of recruitment sources need be utilized. The purpose of the listing is to assist the applicant in developing specialized referral sources to establish a pool of minorities and women who can be contacted as job opportunities occur. Sources which subsequently prove to be nonproductive should not be relied on and new sources should be sought.

V. Training

Training programs are not mandatory. Each applicant is expected to decide, depending upon its own individual situation, whether a training program is feasible and would assist it in its effort to increase the pool of available minority and female applicants. Additionally, the applicant may set forth any other assistance it proposes to give to students, schools or colleges which is designed to be of benefit to minorities and women interested in entering the broadcasting field. The beneficiary of such assistance should be listed, as well as the form of assistance, such as contributions to scholarships, participation in work study programs, and the like.

MODEL EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

I. General Policy

It will be our policy to provide employment opportunity to all qualified individuals without regard to their race, color, religion, national origin or sex in all personnel actions including recruitment, evaluation, selection, promotion, compensation, training and termination.

It will also be our policy to promote the realization of equal employment opportunity through a positive, continuing program of specific practices designed to ensure the full realization of equal employment opportunity without regard to race, color, religion, national origin or sex.

To make this policy effective, and to ensure conformance with the Rules and Regulations of the Federal Communications Commission, we have adopted an Equal Employment Opportunity Program which includes the following elements:

II. Responsibility for Implementation

(Name/Title) The General Manager, will be responsible for the administration and implementation of our Equal Employment Opportunity Program. It will also be the responsibility of all persons making employment decisions with respect to recruitment, evaluation, selection, promotion, compensation, training and termination of employees to ensure that our policy and program is adhered to and that no person is discriminated against in employment because of race, color, religion, national origin or sex.

III. Policy Dissemination

To assure that all members of the staff are cognizant of our equal employment opportunity policy and their individual responsibilities in carrying out this policy, the following communication efforts will be made:

(☒) The station's employment application form will contain a notice informing prospective employees that discrimination because of race, color, religion, national origin or sex is prohibited and that they may notify the appropriate local, State or Federal agency if they believe they have been the victims of discrimination.

(☒) Appropriate notices will be posted informing applicants and employees that the station is an Equal Opportunity Employer and of their right to notify an appropriate local, State, or Federal agency if they believe they have been the victims of discrimination.

(☒) We will seek the cooperation of unions, if represented at the station, to help implement our EEO program and all union contracts will contain a nondiscrimination clause.

(☐) Other (specify)

IV. Recruitment

To ensure nondiscrimination in relation to minorities and women, and to foster their full consideration in filling job vacancies, we propose to utilize the following recruitment procedures:

(☒) We will attempt to maintain systematic communication, both orally and in writing, with a variety of minority and women's organizations to encourage the referral of qualified minority and female applicants. Examples of organizations we intend to contact are:

NAACP National Black Media Coalition

League of United Latin American Clubs (LULAC)

National Organization Women

(☒) In addition to the organizations noted above, which specialize in minority and female candidates, we will deal only with employment services, including State employment agencies, which refer job candidates without regard to their race, color, religion, national origin or sex. Examples of these employment referral services are:

Texas Employment Commission

University of Houston Commission Department

MODEL EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

(X) When we recruit prospective employees from educational institutions such recruitment efforts will include area schools and colleges with significant minority and female enrollments. Educational institutions to be contacted for recruitment purposes are:

University of Houston
Wharton County Jr. College (WCJC)

(X) When utilizing media for recruitment purposes, help-wanted advertisements will always include a notice that we are an Equal Opportunity Employer and will contain no indication, either explicit or implied, of a preference for one sex over another.

(X) When we place employment advertisements in printed media some of such advertisements will be placed in media which have significant circulation or are of particular interest to minorities and women. Examples of publications to be utilized are:

Forward Times - Houston, Texas

(X) We will encourage employees, particularly minority and female employees, to refer minority and female candidates for existing and future job openings.

V. Training

(X) Station resources and/or needs will be such that we will be unable or do not choose to institute specific programs for upgrading the skills of employees.

(X) We will provide on-the-job training to upgrade the skills of employees.

(X) We will provide assistance to students, schools or colleges in programs designed to enable minorities and women to compete in the broadcast employment market on an equitable basis:

School or Other Beneficiary	Proposed Form of Assistance
<u>University of Houston</u>	<u>Employment</u>
<u>WCJC</u>	<u>Employment</u>
<u>() Other (Specify)</u>	

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JUL 22 1988

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Federal Communications Commission
Office of the Secretary

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July 22, 1988

Mr. H. Walker Feaster
Acting Secretary
Federal Communications Commission
Washington, D.C. 20554


Re: Amendment to FCC Form 314
Application for Consent to Assignment
of License of KIOX(AM), Bay City, Texas
(FCC File No. BAL-880610EB)

Dear Mr. Feaster:

Transmitted herewith in triplicate on behalf of North Star Communications, Inc., the assignee to the above-referenced transaction, is an amendment to correct the answer to Section II, Question 4(a) in the legal qualifications portion of the FCC Form 314.

Should any questions arise concerning this matter, please contact this office directly.

Sincerely,


John F. Garziglia

Enclosure